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ABSTRACT

The equity allocation model for multi-campus districts and/or large divisions is an attempt to rationally allocate expenditure appropriations among campuses or other college units. Typically, the program budget for a school district shows the budget in three dimensions: expenditure object (e.g., salaries, supplies, and contract services); program (e.g., administration, instruction, and library); and location (e.g., individual campuses and facilities). Using the equity allocation model, a study group comprised of members of the college and community, first determines the key factors, such as average daily attendance, high program costs, and accreditation requirements, that affect the need for a specific resource or expenditure object. Then, each of the factors is weighted by individual study group members and the percentage weight of each factor for each expenditure object is averaged. Next, the specific allocation units for each campus or facility are determined and then converted into dollar amounts. Finally, each campus or unit receives a total allocation representing the sum total of all expenditure object allocations. The model description contains diagrams, tables, definitions, and examples to explain and illustrate the operation of the model. (HB)

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EQUITY ALLOCATION MODEL
FOR
MULTI-CAMPUS DISTRICTS AND/OR LARGE DIVISIONS

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VC 830 030

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EQUITY ALLOCATION MODEL FOR MULTI-CAMPUS
DISTRICTS AND/OR LARGE DIVISIONS

The equity allocation model for multi-campus districts and/or large divisions is an attempt to more rationally allocate expenditure appropriations. Although the result of the model is an expenditure appropriation, it is best to think of the equity allocation model as one of process, not product. It is the author's opinion that the primary benefit of the model is increased understanding and support of the budget on the part of those involved in the process - the staff and the community.

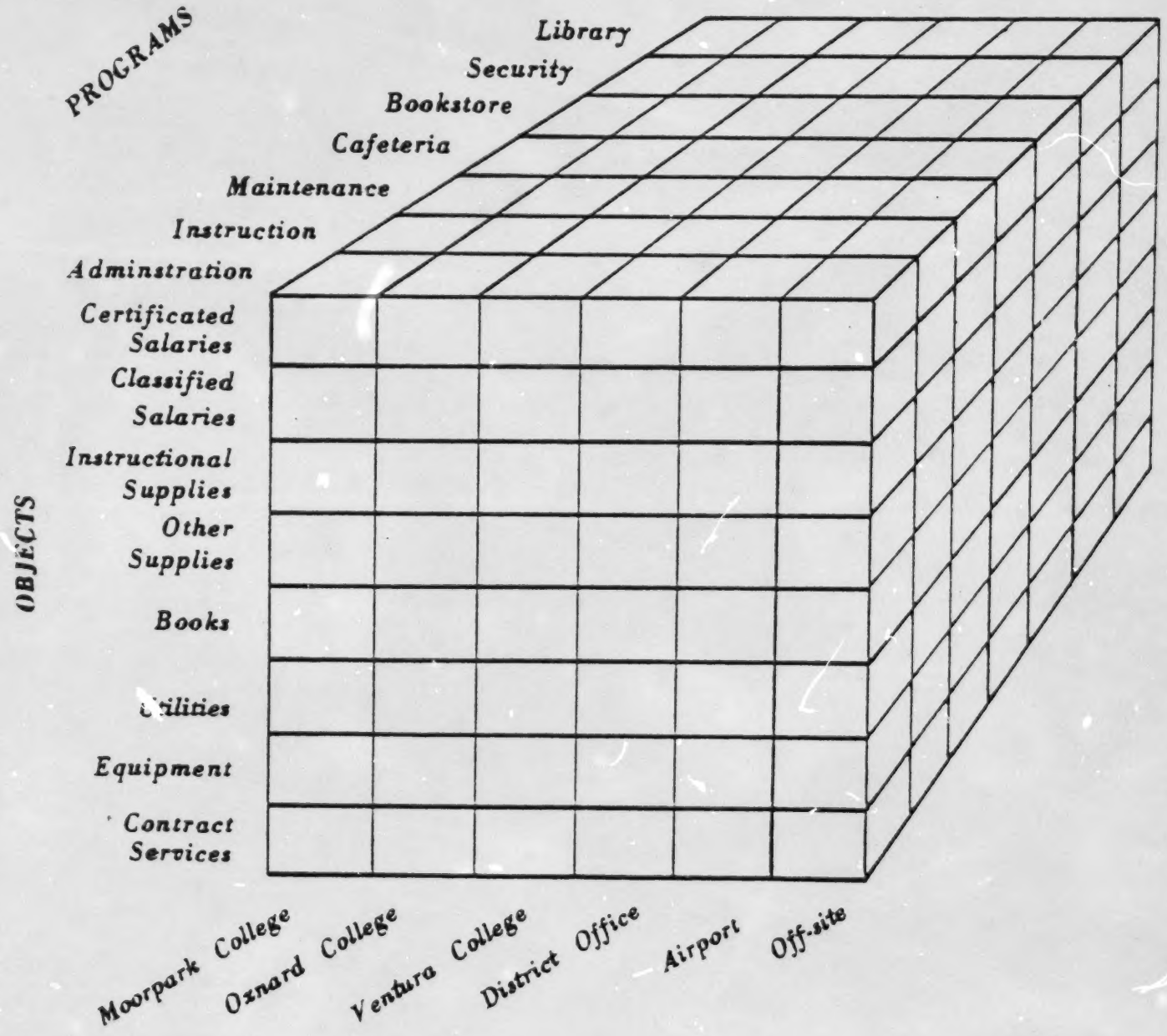
With increasing cutbacks at the Federal and State levels for education, it has become even more important that limited resources be fairly distributed, based on commonly understood needs. This model has been successfully used at both the grade school and community college levels. Once the final expenditure allocation formulae have been agreed upon, the available funds are then applied, with the result being an expenditure allocation. In this sense, the model may be used as an adjunct to zero-base budgeting.

As part of the equity allocation process, extensive staff involvement facilitates the determination of work factors which impact on the educational system and its resource allocation needs. Once work factors, such as student daily attendance, enrollment, base-level service function and high-cost offerings, have been identified and agreed upon by the study group, each factor is weighted as to its relative effect on each of the expenditure objects of the budget. Since only the process for, and not the result of, developing an equity allocation for each campus or large division is defined, the end product is unique.

Expenditure Objects

The program budget for a school district typically shows the budget in three dimensions: expenditure object, program, and location. This relationship may be shown as a paradigm:

BUDGET EXPENSE PARADIGM



a ventura college publication - 2/90

The end products of the equity allocation model are expenditure allocations for each campus or division. However, conceivably, the model could be further adapted for use in determining the expenditure allocation for specific programs at any given location.

Factors

Focusing on each expenditure object, the study group determines the key factors which impact the need for a specific resource (expenditure object.)

FACTORS

FIRST DRAFT

	Acct. No.	Object	Base Entity	ADA	Small School	High Cost Programs	Utilities	Extra Maintenance	Leases	Age	Size			
Certificated Personnel	1101	Prorated Teaching	X	X	X									
	1102	100% Teaching		X		X								
	1204	College President	X											
	1205	Deans	X	X										
	1206	Supervisors	X	X	X									
	1207	Counselors	X	X	X									
	1209	Librarians		X	X									
	1301	Extra Pay	X	X	X									
	1302	Substitutes		X										
	1303	Summer School		No Consensus										
	1304	Extended Day		X										
	1305	Adult (Non Cr. classes)		Exception										
	1306	Day Classes		X										
	1307	Non Supv Extra Instr.	X	X	X									
	1400	Other Non Teach. Hrly.	X	X	X									

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FACTORS

	Acct. No.	Object	Base Entity	ADA	Small School	High Cost Programs	Utilities	Extra Maintenance	Leases	Age	Size			
Classified Personnel	2100	Class. Non Instr. Reg.	X	X										
	2200	Class. Reg. Instr. Aide		X		X								
	2302	Overtime	X	X										
	2303	Extra	X	X	X									
	2304	Student	X	X	X									
	2305	Out of Class. Pay	Exception											
	2402	Overtime		X		X								
	2403	Extra	X	X	X									
	2404	Student	X	X	X									

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FACTORS

	Acct. No.	Object	Base Entity	ADA	Small School	High Cost Programs	Utilities	Extra Maintenance	Leases	Age	Size			
Supplies, Services, Equipment, Capital Outlay	4200	Books		X	X									
	4300	Instr. Supplies		X		X								
	4400	Media Material/Supplies		X										
	4500	Other Supplies	X	X				X						
	4600	Student Trans./Field Trips	X	X	X	X*								
	4800	Equip. Replacement	X	X		X				X				
	5100	Pers. Svcs./Consul.	X			X								
	5200	Travel, Conf., Mile.	X	X		X								
	5300	Membership	X	X										
	5400	Insurance		X										
	5500	Utl. & Housekeeping	X				X			X				
	5600	Contracts, Rents, Leases	X	X	X	X	X	X	X	X	X	Needs more detailed Analysis		
	6100	Cap. Outlay Sites			X					X	X			
	6200	Cap. Outlay Bldgs			X			X		X	X			
	6400	Cap. Outlay Equip.	X	X	X	X								
	6500	Cap. Outlay Lease/ Purchase	X	X	X	X			X					

*Look at Co-curricular

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Weighting of Factors

With the factors having been tentatively agreed upon by the study group, the next task is to weight each factor for each expenditure object. Each member of the study group is asked to do his/her own research. This research must include talking with affected staff not included in the study group. For each expenditure object, the total of the percentages for all factors must be 100%.

Total percentages for each factor for each object provided by each member of the study group are averaged. This data is summarized on the allocation documents and is provided to the committee for purposes of discussion.

GROUP	ACCOUNT NO.	OBJECT	BASE ENTITY						ENROLLMENT			Econ of Scale	Other
			Fixed	High Cost	Spec. Units	Spec. Maint	Unusual Lenses	Cmpste	ADA	Head Count	Cmpste		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	1101	Prorated Teaching	0-75 41.7						0-100 41.7			0-50 16.7	
	1102	100% Teaching	0-100 60.0	0-10 3.3					0-100 30.0			0-20 6.7	
	1204	College President	100 100.0										
	1205	Deans	75-80 78.3						0-25 10.8	0-15 2.5		0-20 8.3	
	1206	Supervisors	10-60 41.7	0-10 3.3					0-80 35.0	0-30 10.0		0-20 8.3	0-5 1.7
	1207	Counselors	10-100 50.0	0-10 1.7					0-75 31.7	0-40 16.7			
	1209	Librarians	25-60 46.7						0-50 20.0	0-30 20.0		0-20 13.3	
	1301	Extra Pay	25-100 62.5						0-75 25.8			0-20 6.7	
	1302	Substitutes	0-80 43.3	0-10 1.7					20-100 55.0				
	1303	Summer School	0-75 34.2	0-5 1.7					25-100 60.8	0-10 1.7			
	1304	Adult (Non-Cr. classes)	0-10 3.3	0-10 3.3					0-100 60.0				
	1306	Day Classes	0-10 28.3	0-10 3.3					25-11 68.3				
	1307	Non Supv. Extra Instr.	0-75 29.2	0-5 1.7					0-100 35.8				
	1400	Other Non-Teach Hourly	0-80 37.5						0-80 39.2	0-40 23.3			
	2100	Class NonInstr Reg.	25-75 75	0-10 3.3					0-50 11.7	0-50 20.8		0-10 3.3	
	2200	Class Reg Instr. Aide	0-80 46.7	0-80 21.7					0-80 18.3	0-20 6.7		0-20 6.7	
	2302	Overtime	0-80 55.0						0-60 10.0	0-100 23.3		0-25 11.7	
	2303	Extra	0-80 46.7	0-20 3.3					0-20 5.0	0-100 35.0		0-25 10.0	
	2304	Student	0-75 37.5	0-10 1.7					0-70 25.0	0-100 25.8		0-25 11.7	

GROUP	ACCOUNT NO.	OBJECT	BASE ENTITY						ENROLLMENT			Econ of Scale	Other
			Fixed	High Cost	Spec. Utils	Spec. Maint	Unusual Leases	Cmpste	ADA	Head Count	Cmpste		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	2305	Out of Class Pay	0-100 45.0						0-50 24.7				
	2402	Overtime	0-75 33.3	0-100 25.0					0-75 20.8			0-25 9.2	
	2403	Extra	0-75 31.7	0-20 3.3					0-100 55.0			0-25 10.0	
	2404	Student	0-75 41.7	0-10 3.3					0-100 37.5	0-25 4.2		0-25 10.0	
	4200	Books	40-80 55.0						0-60 28.3	0-20 13.3		0-10 3.3	
	4300	Instr Supplies	0-80 37.5	0-20 5.8					0-100 46.7	0-20 8.3		0-5 1.7	
	4400	Media Mat/Supplies	0-80 40.0	0-20 5.8					0-100 43.3	0-20 7.5		0-15 4.2	
	4500	Other Supplies	20-80 57.5	0-10 2.5					0-60 25.0	0-20 12.5		0-10 3.3	
	4600	Student Trans/Field Trips	0-80 35.8	0-20 3.3					0-100 26.7	0-75 22.5		0-10 1.7	
	4800	Equip Replacement	0-50 33.3	0-20 4.2		0-65 12.5			0-60 25.0	20-25 7.5	0-50 16.7	0-5 .8	
	5100	Prsnl Svcs/Consultants	0-50 33.3	0-50 15.0					0-80 26.7				0-50 25.0
	5200	Travel/Conference/Mileage	30-70 60.0	0-15 5.0					0-70 25.0				0-30 10.0
	5300	Membership	50-90 74.2	0-25 7.5					0-10 1.7				0-50 16.7
	5400	Insurance	50-100 79.2	0-25 4.2						0-50 16.7			
	5500	Utl & Housekeeping	20-75 50.0	0-33 7.2	0-25 11.7			0-25 8.3	0-33 18.8	0-20 3.3			
	5600	Contracts, Rents, Leases	0-60 35.0	0-10 4.7		0-40 6.7	6-10 5.0	0-50 16.7	0-60 27.8			0-5 1.7	
	6100	Capital Outlay Sites	0-100 41.7					0-75 25.0	0-50 21.7	0-50 11.2			
	6200	Capital Outlay Bldgs	0-100 41.7	0-10 3.3				0-75 25.0	0-50 21.7	0-50 8.3			
	6400	Capital Outlay Equip	0-60 41.7	0-5 1.7					0-100 35.0	0-15 5.0	0-25 4.2	0-25 8.3	
	6500	Captital Outlay Lease/ Purchase	0-25 8.3	0-60 28.3	0-15 5.0		0-75 25.0		0-100 28.3	0-15 5.0			

PROPOSED EXHIBIT A

DEFINITIONS OF VARIABLE FACTORS FOR EQUITY ALLOCATION FORMULA

1. BASE ENTITY — The resources required for a college as defined by the 1981 Western States Accreditation Standards for eligibility for full accreditation.

2. ADA — The ADA that is provided by the District ADA Projection Committee for the 4th week spring semester census count.

3. HIGH-COST PROGRAMS — Those approved programs with greater cost per ADA than the district-wide average for all programs that meet all currently approved minimum standards for operations and are nominated by each college and approved by the Chancellor.

4. UTILITIES -- All utilities as defined for the major account #5500.

5. MAINTENANCE — The continuing expenses for the upkeep of buildings and grounds only.

6. LEASES — All major and unusual leases nominated by the colleges and approved by the Chancellor.

7. STUDENT HEADCOUNT — The individual student population served by each college on and off campus.

Equity Allocation Percentages Determined

Having weighted each variable, the next step is to determine the specific allocation units for each campus or unit. The following simplified example is provided.

A) Factors Weighted

Expenditure Objects (Resources)	FACTORS A. Entity	B. Enrollment	C. Technical	D. Total
President	100%			100%
Deans	50%	50%		100%
Full-Time Instructors		75%	25%	100%

B) Allocation Units Determined

The total may be any number. This example uses a multiple of A.D.A. (average daily attendance.)

	A.D.A.	Allocation Units
Alpha College	8,000	8
Beta College	4,000	4
Delta College	12,000	12
		24

C) Percentages for Each Factor Converted to Allocation Units Per Campus

Expenditure Objects (Resources)	FACTORS				ALLOCATION UNITS			
	A. Equity	B. Enrollment	C. Technical	D. Total	Alpha College	Beta College	Delta College	Total
Presidents	100%			100%	8	8	8	24
Deans	50%	50%		100%	4+4	4+2	4+6	24
Full-Time Instructors		75%	25%	100%	6+2	3+1	9+3	24

D) Allocation Units are Converted to % of Allocation

Expenditure Objects	% OF ALLOCATION UNITS			
	Alpha College	Beta College	Delta College	Total
Presidents	33.3	33.3	33.3	100%
Deans	33.3	25	41.7	100%
Full-Time Instructors	33.3	16.7	50	100%

Equity Allocations Made

Throughout the process of developing the equity allocation percentages, the opportunity for revising factors or weighting is given. Once allocation percentages for each expenditure for each campus or unit has been determined, full-time equivalents and dollars are applied to the formula. Both full-time equivalents and dollars are used for regular contract personnel. Thus, one unit or college is not penalized for having a greater proportion of more experience or higher trained staff. Allocations for regular staff are reviewed on the basis of full-time equivalents, thus facilitating the re-allocation phase.

Re-Allocation by Campus or Unit

Each campus or unit receives a total allocation representing the sum total of all expenditure object allocations. Once received, it is the responsibility of the receiving unit to analyze program goals and objectives. A re-allocation by program with justification is then recommended by the campus or unit. Recommended re-allocations must be made within the constraints of the system.

Commitment to Process

Before attempting to undertake an equity allocation model, such as the one presented, it is important that the decision makers of the district understand and be committed to the process. The following commitment sheet has been used for this purpose. Basically, the equity allocation model is an educational tool. As with any effective educational program, the benefits are improved understanding and communication. These benefits are well worth the effort.

EQUITY ALLOCATION

"Develop a fair and equitable budget process for 1982-83 based on budget needs of the four organizational units of the district."

	Cabinet	Chancellor
1. Accept the concept that resource allocation for budget purposes are best based on rational and clearly understandable bases.	___	___
2. Accept the concept that the related need for a specific resource is a factor of definable elements, such as basic task requirements of the unit and volume of work.	___	___
3. Support the development of an allocation system that is based on weighting of elements for each expenditure object. Elements and weights subject to your approval.	___	___
4. Support implementation of an allocation system as above described to be effective _____.	___	___

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